

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

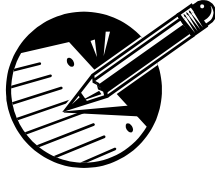
Philip Angelides, Chairman
CA State Treasurer

The Children's Hospital Program Grant Application

GENERAL OBLIGATION BOND
FINANCING FOR PUBLIC AND
PRIVATE CALIFORNIA CHILDREN'S
HOSPITALS

915 Capitol Mall, Suite 590
Sacramento, California 95814
Phone: (916) 653-2799
Fax: (916) 654-5362

**The Children's Hospital Program
APPLICATION FORM**



Please type all responses. Incomplete or illegible applications will not be considered.

A. Summary Information

Applicant Legal Name: _____

Federal Tax ID #: _____

Street Address: _____

City State Zip _____

County: _____

Address of Project (if different from above): _____

County: _____

Contact Person: _____ **Title:** _____

Phone: _____ **Fax:** _____

E-mail Address: _____

Requested Amount: \$ _____

NOTE: Eligible University of California Children's Hospitals are limited to \$30 million in grant funding less bond issuance and administrative costs. Eligible non-University of California Children's Hospitals are limited to \$74 million in grant funding less bond issuance costs.

Date of Application: _____

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<Authority Use Only>

Date Received: (stamp below)

Allocation Meeting Date: _____

Resolution Number: _____

B. Applicant and Project Eligibility

1. Is your facility:

- ☐ A University of California general acute care hospital described as:
- University of California Davis Children's Hospital.
 - Mattel Children's Hospital at University of California, Los Angeles.
 - University Children's Hospital at University of California, Irvine.
 - University of California, San Francisco Children's Hospital.
 - University of California, San Diego Children's Hospital.

OR

- ☐ A General Acute Care Hospital that is, or is an operating entity of, a California nonprofit corporation incorporated prior to January 1, 2003, whose mission of clinical care, teaching, research, and advocacy focuses on children, and that provides comprehensive pediatric services to a high volume of children eligible for governmental programs and to children with special health care needs eligible for the California Children's Services program and:
- Provided at least 160 license beds in the categories of pediatric acute, pediatric intensive care and neonatal intensive care in the fiscal year ending between June 30, 2001 and June 29, 2002, as reported to the Office of Statewide Health Planning and Development (OSHPD) on or before July 1, 2003.
 - Provided over 30,000 total pediatric patient (census) days, excluding nursery acute days, in the fiscal year ending between June 30, 2001 and June 29, 2002, as reported to OSHPD on or before July 1, 2003.
 - Provided medical education of at least eight (rounded to the nearest integer) full-time equivalent pediatric or pediatric subspecialty residents in the fiscal year ending between June 30, 2001, and June 29, 2002, as reported to OSHPD on or before July 1, 2003.

The Authority, at its discretion, shall confirm with OSHPD that the non-University of California Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity has submitted to OSHPD its Annual Disclosure Report for the fiscal year ending between June 30, 2001 and June 29, 2002, on or before July 1, 2003

If the organization is not one of the above, the organization is ineligible for this program.

	Yes	No
2. Is the p Project an eligible project? Project means: Constructing, expanding, remodeling, renovating, furnishing, equipping, financing, or refinancing capital assets, as defined in Section 16727(a) of the Government Code, of a Children's Hospital. Pursuant to the Act, this may include reimbursement for the costs of constructing, expanding, remodeling, renovating, furnishing, equipping, financing or refinancing where such costs are incurred after January 31, 2003. <u>The definition of Project does not include costs of issuance for any financing or refinancing of a Project.</u> If the Children's Hospital proposes to use Grant funds for a Project that includes architect, design, and/or engineering fees, the Children's Hospital shall provide the Authority with reasonable assurance, at the Authority's discretion, that any of these fees are components of a larger Project that will ultimately benefit the health and welfare of California's sick and/or injured children.	<input type="checkbox"/>	<input type="checkbox"/>
3. If the Children's Hospital is not a University of California Children's Hospital, is the Children's Hospital, or the California nonprofit corporation of which the Children's Hospital is an operating entity, a non-profit 501(c)(3) corporation, for purposes of federal and state tax law?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the Children's Hospital, or the California nonprofit corporation of which the Children's Hospital is an operating entity, licensed by the State Department of Health Services as a general acute care hospital prior to January 1, 2003 and have a current, valid license?	<input type="checkbox"/>	<input type="checkbox"/>
5. Are the most recent audited financial statements of the Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity free of "g Going e Concern q Qualification" language?	<input type="checkbox"/>	<input type="checkbox"/>
6. If the Children's Hospital proposes to use Grant funds for the acquisition of real property, does the Children's Hospital have a valid, current, enforceable contingent purchase and sale agreement or option agreement between the Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity and the owner of the subject property, including evidence that all extensions necessary to keep the agreement current through the Final Allocation have been executed, if applicable?	<input type="checkbox"/>	<input type="checkbox"/>
7. If the proposed Project includes the acquisition of real property, can the Children's Hospital provide the Authority with reasonable assurance that the acquisition is a component of a larger Project that will ultimately benefit the health and welfare of California's sick and/or injured children, such as the construction of a new facility to benefit pediatric patients?	<input type="checkbox"/>	<input type="checkbox"/>

- | | Yes | No |
|---|--------------------------|--------------------------|
| <p>8. If the Children's Hospital proposes to use Grant funds for a Project other than equipment acquisition on certain property, does the Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity have evidence it owns the property? can the Children's Hospital provide evidence that either:</p> <ul style="list-style-type: none"> • <u>The Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity owns the property, OR</u> • <u>The Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity is a lessee under a lease agreement that satisfies Section 7047 of the Children's Hospital Program Regulations.</u> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>9. If the Children's Hospital proposes to use Grant funds for a Project that includes architect, design, and/or engineering fees, can the Children's Hospital provide assurance to the Authority that any of these fees are components of a larger Project that will ultimately benefit the health and welfare of California's sick and/or injured children? The Authority shall rely on timelines associated with entire Project to assess whether or not the Project will benefit pediatric patients.</p> | <input type="checkbox"/> | <input type="checkbox"/> |

If the Children's Hospital answered 'No' to any question above, the Children's Hospital is not eligible to receive a grant.

C. Project Description

(a) Describe the ~~p~~PProject and provide supporting documentation that explains:

1. How well the Project contributes to both of the following:
 - A Expansion or Improvement of Health Care Access by children eligible for Governmental Health Insurance Programs and indigent, underserved, and uninsured children.
 - B Improvement of Child Health Care or Improvement of Pediatric Patient Outcomes.
2. How well the Children's Hospital does any or all of the following:
 - A Provides Uncompensated Indigent Care or Undercompensated Care to eligible pediatric patients.
 - B Provides services to Vulnerable Pediatric Populations.
 - C Promotes Pediatric Teaching Programs or Pediatric Research Programs.

(b) To ensure the tax-exempt status of the General Obligation bonds funding this program conforms to all applicable bond law, please answer the following:

1. Was any portion of the Project to be refinanced with the Grant originally funded with the proceeds of a tax-exempt financing? If yes, please describe the tax-exempt financing.
2. For any requests by the University of California Children's Hospitals to refinance ~~p~~PProjects that have already been completed, when were the expenditures incurred for the Project to be refinanced with the Grant?

D. Project Readiness and Feasibility

1. All ~~A~~applicants shall provide a project timeline, which:
 - Describes expected project start and completion dates.
 - Describes any ~~issues affecting the completion of the project, and includes narrative regarding how these issues will be managed to ensure the timely completion of the project~~ problems anticipated in implementing the Project and how problems will be managed to ensure timely completion.
2. All ~~a~~Applicants shall identify and provide supporting documentation as described for the following types of ~~p~~Projects and funding sources:
 - For all Projects with the exception of equipment acquisition projects, Applicant shall submit estimates of Project costs and evidence of property ownership or, if the property is leased to a Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity, a copy of a lease agreement that satisfies the requirements of Section 7047 of the Children's Hospital Program Regulations. The Applicant shall also provide building permits and/or executed construction contracts, if available. An Applicant with a Project that does not yet have an executed construction contract or building permit but is actively in the process of obtaining one, shall provide a detailed statement that explains the status of obtaining the document.
 - For all Projects involving architect, design and engineering fees to be paid with Grant funds, the Applicant shall submit estimates of Project costs and a draft of all applicable architect, design and engineering contracts, and a timeline that specifies when the entire Project will be complete.
 - For Projects that include the acquisition of real property, the Applicant shall submit a copy of an executed purchase and sale agreement ~~real estate contract~~ or status of obtaining one or other evidence of site control to the satisfaction of the Authority and a timeline that specifies when the entire Project will be complete.
 - For equipment acquisition projects, the Applicant shall submit a specific list of items and cost estimates of equipment or copies of invoices, and if applicable, cost estimates of installation of such equipment.
 - If funding sources other than the Grant are required to complete the Project, the Applicant shall provide approval or commitment letters from the other funding sources, confirming that the funding is secured and available in accordance with the Project timeline and budget

3. Applicants shall adequately describe their plans for implementing the ~~p~~Project, including:

- The Applicant shall submit plans for Project implementation that includes credible staffing, operations and reimbursement figures. If the Project will result in an expansion of services, the Applicant shall provide an organization chart identifying key personnel for the expanded services.
- The Applicant shall submit a third-party prepared feasibility study, funding letters or other documentation to demonstrate that the Project will generate sufficient revenues to provide on-going support for new or expanded services and/or research programs. If revenues generated by the Project will be insufficient, the Applicant's revenues shall be sufficient as determined by Authority staff, to provide on-going support.
- When applicable, the Applicant shall submit evidence that it is in compliance with the California Environmental Quality Act and all applicable governmental codes for all Projects.

E. Sources and Uses of Funds*

All aApplicants must submit the budget for their proposed pProject including all sources and uses of funds. If other sources of funds will be used to complete the pProject, all aApplicants must submit copies, if available, of written confirmation, including bank and grant commitment letters of these funding sources. If documentation for other sources of funds has been provided for Section D (§3), aApplicants do not need to provide additional copies.

Applicant must itemize what portion of the total funds available will be used for each specific portion of the proposed pProject. In some instances, funds from sources other than the proposed grant may be used for portions of a proposed pProject that would otherwise be ineligible for the grant. Applicant therefore shall describe how the grant funds as well as other grants, loans, or internal funds will be used. Authority staff must be able to determine that the entire grant will be used for eligible portions of the proposed pProject.

Sources of Funds:

Total CHFFA Grant Requested	\$ _____
Applicant Internal Funds	\$ _____
Other (bank loans, grants, etc.):	
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Sources	\$ <u>0</u>

Uses of Funds:

Construct facilities	\$ _____
Acquire facilities	\$ _____
Remodel	\$ _____
Purchase equipment	\$ _____
Other (list):	
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Uses	\$ <u>0</u>

*Total Sources must equal Total Uses. In no case can a grant award exceed the total cost of the pProject.

F. Financial Capacity

As part of its due diligence review, the Authority staff will review Most Recent Audited Financial Statements of the Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity to ensure there is no 'going concern qualification' language as part of the audit.

G. Application Submission

Applications must be submitted in duplicate to the Authority. The Authority will accept applications on an on-going basis until the program funding is exhausted. Each ~~a~~Applicant may apply more than once.

Please submit completed application by mail to:

California Health Facilities Financing Authority
915 Capitol Mall, Suite 590
Sacramento, CA 95814

Applications are due the first business day of each month and will be presented to the Authority the following month. Applications received on the first business day of November will be presented to the Authority at the regularly scheduled January meeting pursuant to Section 7041.

LEGAL STATUS QUESTIONNAIRE

For purposes of the following questions, the term “applicant” shall include the applicant and the ~~pp~~project sponsor, the parent of the applicant and the ~~pp~~project sponsor, and any subsidiary of the applicant or ~~pp~~project sponsor if the subsidiary is involved in (for example, as a guarantor) or will be benefited by the application or the ~~pp~~project. In addition to each of these entities themselves, the term “applicant” shall also include the direct and indirect holders of more than ten percent (10%) of the ownership interests in the entity, as well as the officers, directors, principals and senior executives of the entity if the entity is a corporation, the general and limited partners of the entity if the entity is a partnership, and the members or managers of the entity if the entity is a limited liability company.

Civil Matters

Yes No

- | | | |
|--|--------------------------|--------------------------|
| 1. Has the applicant filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against it, defaulted on a loan, or been foreclosed against in the <i>past ten years</i> ? If so, please explain. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is the applicant <i>currently</i> a party to, or been notified that it may become a party to, any civil litigation that may materially and adversely affect (a) the financial condition of the applicant’s business, or (b) the project that is the subject of the application? If so, please explain. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Have there been any administrative or civil settlements, decisions, or judgments against the applicant within the <i>past ten years</i> that materially and adversely affected (a) the financial condition of the applicant’s business, or (b) the project that is the subject of the application? If so, please explain and state the amount. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the applicant <i>currently</i> subject to, or been notified that it may become subject to, any civil or administrative proceeding, examination, or investigation by a state or federal licensing or accreditation agency, a state or federal taxing authority, or a state or federal regulatory or enforcement agency? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. In the <i>past ten years</i> , has the applicant been subject to any civil or administrative proceeding, examination, or investigation by a state or federal licensing or accreditation agency, a state or federal taxing authority, or a state or federal regulatory or enforcement agency that resulted in a settlement, decision, or judgment? If yes to either question, please explain. | <input type="checkbox"/> | <input type="checkbox"/> |

Criminal Matters**Yes No**

- | | | |
|--|--------------------------|--------------------------|
| 6. Is the applicant <i>currently</i> a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, <i>felony charges</i> against the applicant? If so, please explain. | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Is the applicant <i>currently</i> a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, <i>misdemeanor charges</i> against the applicant for matters <i>relating to the conduct of the applicant's business</i> ? If so, please explain. | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Is the applicant <i>currently</i> a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, criminal charges (whether felony or misdemeanor) against the applicant for any <i>financial or fraud related crime</i> ? If so, please explain. | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Is the applicant <i>currently</i> a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, that could <i>materially affect the financial condition of the applicant's business</i> ? If so, please explain. | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Within the <i>past ten years</i> , has the applicant been convicted of any <i>felony</i> ? If so, please explain. | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Within the <i>past ten years</i> , has the applicant been convicted of any <i>misdemeanor related to the conduct of the applicant's business</i> ? If so, please explain. | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Within the <i>past ten years</i> , has the applicant been convicted of any <i>misdemeanor for any financial or fraud related crime</i> ? If so, please explain. | <input type="checkbox"/> | <input type="checkbox"/> |

LEGAL DISCLOSURE INFORMATION
(Please explain any “yes” answers on Attachment A)

AGREEMENT AND CERTIFICATION

The Chief Executive Officer, Chief Financial Officer or other authorized officer of the ~~a~~Applicant on behalf of the Applicant shall agree and certify to the following terms and conditions:

1. The information contained in the Application Form and attachments is true and correct to the best of its knowledge and belief and understands that any misrepresentation may result in the cancellation of a Grant and other actions permitted by law and the Grant Agreement.
2. Applicant may be required to return all or a portion of the Grant including any unused investment earnings if the Applicant fails to complete the Project as approved. In cases where the Grant will fund architect, design, or engineering fees or land acquisition costs as part of an approved Project, the Applicant may be required to return all Grant funds and any unused investment earnings if the Authority cannot determine that the associated larger Project has been completed, based on timelines provided within the Application Form.
3. Grant funds will only be used for the Project described in the Application Form unless a change in the Project is approved in writing by the Authority.
4. The Project and financial records of the Applicant's Project are subject to audit and inspection by the Authority and the Bureau of State Audits.
5. Applicant has ~~either~~ disclosed all ~~legal~~ information requested by the legal status questionnaire. ~~or has no legal information to disclose.~~
6. Applicant will notify the Authority in writing at the time of Project completion with evidence of completion included.
7. Applicant will provide all documents and information required by law and will meet all necessary requirements prior to the release of the Grant.

By (Print Name)

Signature

Title

Date